

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Revocation of the)
Certification to Conduct Gambling)
Activities of:)
)
Elisha Zaugg)
Montesano, Washington,)
)
Class III Employee.)
_____)

NO. CR 2014-00889

**NOTICE OF ADMINISTRATIVE
CHARGES, AND OPPORTUNITY FOR
AN ADMINISTRATIVE HEARING**

I.

The Washington State Gambling Commission issued Elisha Zaugg certification¹ number 69-32133, authorizing Class III Employee activity, formerly at the Squaxin Island Tribe's Little Creek Casino.

The Commission issued this certification, which expires on November 29, 2014, subject to the certified employee's compliance with the Tribal/State Compact, state gambling laws and Commission rules.

II.

David Trujillo, Director of the Washington State Gambling Commission, charges the Class III employee with the following violations of the Squaxin Island Tribal/State Compact, Washington State Gambling Act, 9.46 RCW, and WAC Title 230.

SUMMARY:

On March 20, 2014, an Information was filed in Grays Harbor County Superior Court charging Elisha Zaugg with Rape, 1st Degree.

FACTS:

1) A Washington State Gambling Commission Special Agent (agent) was assigned to Elisha Zaugg's file for a suitability investigation after Commission staff received notice that the Squaxin Island Tribe had suspended, then later revoked, his tribal license. Even though Mr. Zaugg's tribal license has been revoked, his certification remains active.

2) According to Grays Harbor County Superior Court documents, on March 20, 2014, an Information was filed charging Mr. Zaugg with Rape, 1st Degree. It states that on or about

¹ Class III Certification is issued to employees working at tribal Casinos. The certification authorizes similar activities as the Card Room Employee (CRE) license issued to individuals working at commercial house-banked card rooms. By submitting a transfer form and fees, holders of a Class III Certification may convert their certification to a CRE license.

January 1, 2013, Mr. Zaugg engaged in sexual intercourse by forcible compulsion with another and used, or threatened to use, a deadly weapon, or what appeared to be a deadly weapon.

3) A Motion and Declaration for an Order for Warrant of Arrest was filed along with the Information. It states the following:

- On January 2, 2013, a Grays Harbor Sheriff's Detective responded to the emergency room at a local hospital to contact the woman. She told the detective she had responded to a companionship add on Craigslist for someone using the name "Mike Carson."
- She met with "Mike" at a grocery store. He purchased some wine and then she followed him out of town. They eventually arrived at a house, and she was a little concerned because he did not appear to know his way around the house. They went upstairs and there were two rooms on either side of the landing. He could not find the light switch, so he turned on a light in one of the rooms.
- Once the light was on, "Mike's" demeanor changed and he told her that he had a knife in his pocket. He showed her a folding knife and opened the blade. He told her there was another knife and a gun in the house. She said that up until this point, they had not talked about having sex but they had talked about it in their e-mails. He took her purse, put it in the hallway, and told her if she did everything, she was told she would not get hurt.
- After they had intercourse, he told her that she did not know anything about him, they were not in his house, his name was not "Mike," it was not his car he drove and it was not his cell phone. He told her that he knew everything about her and she had better not report this to the police.
- As she was leaving the house, she was so upset that she turned the wrong way and drove into a pole. She was able to turn the car around and she drove to the highway where she called a friend and then called the police.
- Detectives spoke with Mr. Zaugg about the allegations. Mr. Zaugg admitted using the name "Mike Carson" because he did not want someone stalking him. His version of the event was close to what the female's version was, except he claimed the sex was consensual. Mr. Zaugg said the initial plan was for him to pay her for sex. He said that he never threatened her with a knife. He did tell her he had a knife, and he did not have money to pay her. He said he wanted her to know he had a knife in case she had a gun in her purse.
- Mr. Zaugg admitted that seeing the knife probably made her nervous, and she told him she did not feel safe. She even asked him to put the knife in the hallway. He also admitted that the remote location of the house they were in probably scared her because it was out in the middle of nowhere.

4) On June 30, 2014, a pre-trial management hearing was held. There has not been a trial date scheduled for the case.

VIOLATIONS:

1) Squaxin Island Tribal/State Compact

Section V.C. of the Tribal-State Compact states the SGA² may revoke, suspend or deny a State certification for any reason it deems to be in the public interest. These reasons shall include when the holder of certification:

V.C.1. Is determined to be a person who because of prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or enhance the chances of unfair or illegal practices, methods and activities used in the conduct of the gaming activities permitted pursuant to this compact.

2) RCW 9.46.075 Denial, suspension, or revocation of certification, application, or permit

The Commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein: (The following subsections apply.)

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the Commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any Commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control.

(8) Fails to prove, by clear and convincing evidence, that he is qualified in accordance with the provisions of this chapter.

(9) Is subject to current prosecution or pending charges, or a conviction which is under appeal, for any of the offenses included under subsection (4)³ of this section: PROVIDED, That at the request of an applicant for an original license, the commission may defer decision upon the application during the pendency of such prosecution or appeal.

3) WAC 230-03-085 Denying, suspending, or revoking an application, license or permit

We may deny, suspend, or revoke any application, license or permit, when the applicant, certified employee, or anyone holding a substantial interest in the applicant's or certified employee's business or organization:

(The following subsections apply.)

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

² Washington State Gambling Commission, as referred to in Section II.V. of the Tribal-State Compact for Class III Gaming between the Squaxin Island Tribe.

³ (4) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, forgery, larceny, extortion, conspiracy to defraud, wilful failure to make required payments or reports to a governmental agency at any level, or filing false reports therewith, or of any similar offense or offenses, or of bribing or otherwise unlawfully influencing a public official or employee of any state or the United States, or of any crime, whether a felony or misdemeanor involving any gambling activity or physical harm to individuals or involving moral turpitude.

(8) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by:

(a) Prior activities.

5) RCW 9.46.153(1) Applicants and licensees-Responsibilities and duties

It shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted.

The certified employee's pending criminal charges demonstrate that he poses a threat to the effective regulation of gambling, creates, or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities. Elisha Zaugg has failed to establish clearly and convincingly that he is qualified for licensure, as required by RCW 9.46.153(1). Mr. Zaugg has been charged with Rape, 1st Degree. As a result, there are grounds to revoke Elisha Zaugg's certification based on the Squaxin Island's Tribal/State Compact, RCW 9.46.075(1), (8), and (9), and WAC 230-03-085(1), and (8).

III.

Jurisdiction of this proceeding is based on 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

You have the right to a hearing. To have a hearing, or to settle the case, the Gambling Commission must receive the hearing request form back from you within 23 days. After we receive this form, we will call you about settlement options. If you do not return the form on time, your certification will be revoked and you will not be able to work. (RCW 34.05.440.)

IV.

I have read this Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding, know the contents of it, believe it to be true, and have executed this Notice in my capacity as Director of the Washington State Gambling Commission.



DAVID TRUJILLO, DIRECTOR

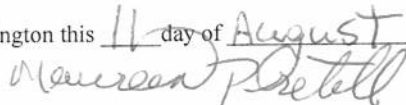
8/8/14

Dated

STATE OF WASHINGTON)
)
COUNTY OF THURSTON)

I certify I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy, properly addressed with postage prepaid, by regular and certified mail to each party to the proceeding or his or her attorney or authorized agent.

Dated at Olympia, Washington this 11 day of August, 2014



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